Government of Saskatchewan

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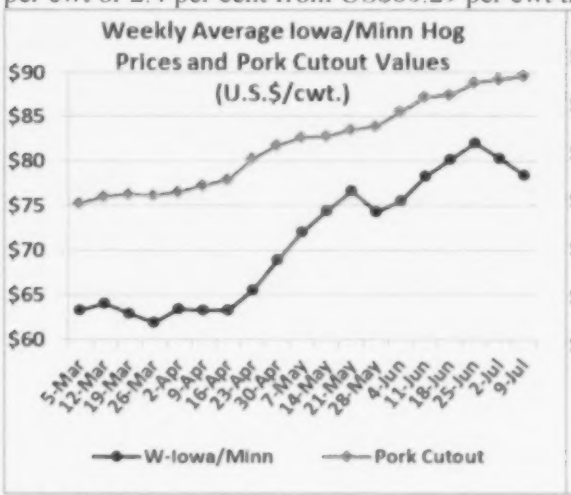
Weekly Hog Report

July 11, 2016

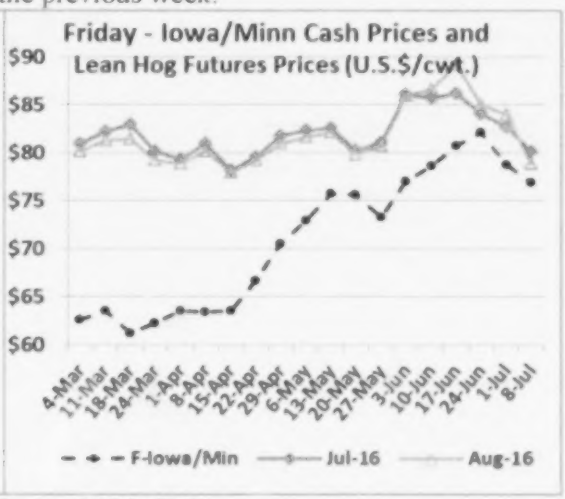
The Weekly Hog Report will take a summer break for July!
The regular Weekly Hog Report will resume on August 8, 2016.

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) were again lower last week to end the week lower, week-over-week. Hog prices on Friday July 1 averaged US$76.90 per cwt, down US$1.75 per cwt or 2.2 per cent from US$78.65 per cwt the previous Friday. The negotiated base price last week averaged US$78.38 per cwt, down US$1.91 per cwt or 2.4 per cent from US$80.29 per cwt the previous week.



Source: LMIC



Source: LMIC, CME

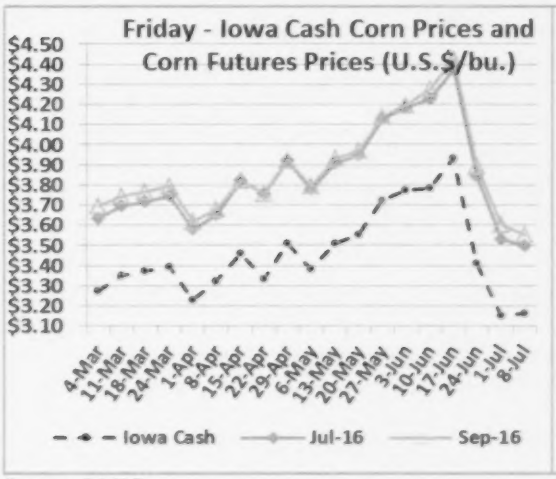
In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday July 8, 2016 was $185.04 per ckg, down $5.41 per ckg or 2.8 per cent from $190.45 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged $186.37 per ckg, down $5.69 per ckg or 3.0 per cent from the previous weeks' average price of $192.06 per ckg. The Canadian dollar was lower last week closing Friday at 76.69 cents, down 0.73 cents from 77.42 cents the previous Friday.

Futures Markets

United States lean hog futures daily prices were primarily lower over the week to end the week lower, week-over-week. The nearby July contract moved US$2.625 per cwt lower to settle Friday at US$80.050 per cwt, while the August contract declined US$5.125 per cwt to settle Friday at US$78.825 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were mixed last week. Weighted average cash prices for iso-weans (12lb) last week were US$21.67 per head, steady from US$21.65 per head the previous week. Feeders (40lb) averaged US$40.68 per head, down $2.35 per head from US$43.03 per head, the previous week.



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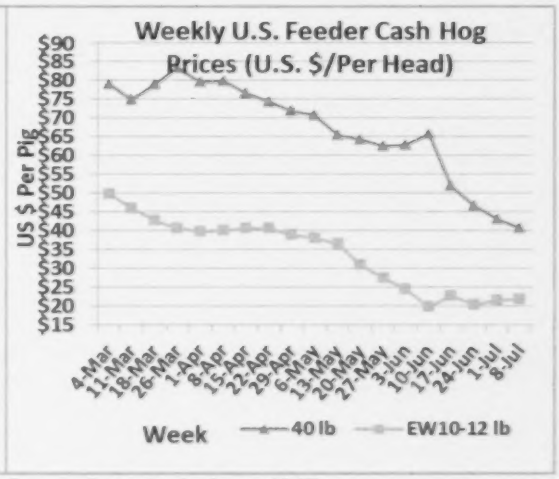


Source: Iowa Agriculture, CME

U.S. corn prices were mixed last week. Iowa cash corn prices increased one cent last week to settle Friday at US$3.16 per bushel. U.S. daily corn futures prices were lower early in the week with big gains on Friday, but still ended lower, week-over-week. The July 2016 corn contract declined just over three cents to settle Friday at US$3.49 ¾ per bushel, while the September 2016 corn contract declined five cents to settle Friday at US$3.55 per bushel. Last Thursday Brazil cut their corn crop estimates to 69.1M Tons from 76.2M Tons from their June estimates on poor yields. Futures prices rallied on Friday from the news.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the shorter U.S. holiday week (Independence Day) ending July 9 were estimated 1.826 million head, down 13.7 per cent from 2.115 million head the previous week, and down 11.9 per cent from 2.073 million head the same week a year ago. U.S. hogs slaughtered over the last four weeks ending July 9 averaged 2.047 million head per week, down slightly from 2.051 million head the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the shorter Canada Day holiday week ending July 2, 2016 were estimated at 325,769 head, down 12.6 per cent from 372,714 head the previous week, and down 12.6 per cent from 372,767 head the same week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 371,663 head, down 5.1 per cent from 391,571 head over the same period in 2015. Year-to-date, hogs slaughtered in Canada in 2016 have totaled 10,518,722 head, up 1.3 per cent from 10,384,183 head over the same period in 2015.

Meat Production

U.S. pork production for the shorter U.S. holiday (Independence Day) week ending July 9, 2016 was estimated at 384.4 million lb., down 14.2 per cent from 448.0 million lb. the previous week, and down 12.3 per cent from 438.1 million lb. the same week a year ago. Pork production over the last four week's ending July 9 was estimated to average 430.9 million lb., down 0.5 per cent from 432.9 million lb. over the same four week period a year ago.

U.S. beef production for the shorter week ending July 9 was estimated at 417.0 million lb., down 14.5 per cent from 488.0 million lb. the previous week, and down 8.8 per cent from 457.3 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending July 2, 2016, was estimated to average 2.060 billion lb., up 6.1 per cent from 1.941 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2016 is estimated to be up 3.0 per cent compared to the same period in 2015.

United States Weekly Meat Production

(July 2) Four Week Average - Million Lb.			Percent Change	
	2015	2016	4 Week	YTD 2016
Pork	436.0	445.7	2.2%	0.5%
Beef	442.5	489.2	10.6%	4.8%
Chicken	952.2	991.7	4.1%	3.2%
Turkey	110.8	133.7	20.7%	4.2%
Total	**1,941.4**	**2,060.3**	**6.12%**	**2.99%**

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending July 9, 2016 averaged US$89.58 per cwt, up 0.4 per cent or US$0.39 per cwt from US$89.19 per cwt the previous week, and up 10.0 per cent from US$81.44 per cwt from the same week a year ago.

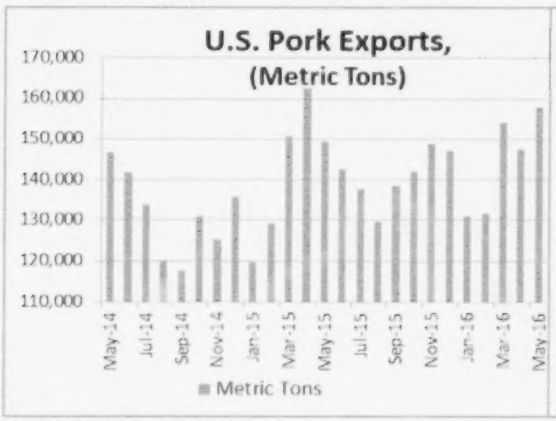
Choice beef cutout prices (600-900 lb.) for the week ending July 9, 2016 averaged US$209.33 per cwt over the week, up slightly (US$0.45 per cwt) from US$208.88 per cwt the previous week, but down 13.6 per cent from US$242.21 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending July 9, 2016 averaged US$135.89 per cwt, up 1.4 per cent from US$133.96 per cwt the previous week, but down 4.1 per cent from US$141.69 per cwt the same week a year ago.

United States Pork Exports

United States exported 157,937 metric tons of pork in May 2016, up 7.2 per cent from 147,364 metric tons in April 2016, and up 5.7 per cent from 149,474 metric tons from May 2015. U.S. Pork exports by volume were the highest since April 2015.

By dollar amount, U.S. pork exports in May 2016 were US$424.2 million, up 7.9 per cent from US$393.1 million in April 2016, but down slightly from US$425.5 million a year ago in May 2015. U.S. pork exports by volume for May 2016 were higher to Mexico and Hong Kong/China, year-over-year; but lower to Japan and South Korea. United States pork exports to China have increased 179 per cent by volume and 169 per cent by value, year-to-date compared to a year ago.



Source: USDA, USMEF

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